



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 1000
ARLINGTON, TEXAS 76011

PDR- Hg

MAY 22 1978

Docket Number 99900017/78-01

Dravo Corporation
Pipe Fabrication Division
Attn: Mr. G. Schwab
Vice President
1115 Gilman Street
Marietta, Ohio 45750

Gentlemen:

This refers to the Quality Assurance Program inspection conducted by Mr. I. Barnes of the NRC Region IV office on April 10-13, 1978, of your facility at Marietta, Ohio, associated with the fabrication of nuclear piping assemblies and to the discussions of our findings with you and members of your staff at the conclusion of the inspection, and at a subsequent meeting at our offices in Bethesda, Maryland, on May 8, 1978.

This inspection was made to confirm that, in the areas inspected, your QA Program is being effectively implemented. The inspection effort is not designed to assure that unique quality requirements imposed by a customer are being implemented; nor to assure that a specific product, component or service provided by you to your customers, is of acceptable quality. As you know, the NRC requires each of its licensees to assume full responsibility for the quality of specific products, components or services procured from others. You should therefore not conclude that the NRC's inspection exempts you from inspections by a NRC licensee or his agents nor from taking effective corrective action in response to their findings.

Areas examined and our findings are discussed in the enclosed report. Within these areas, the inspection consisted of an examination of procedures and representative records, interviews with personnel, and observations by the inspector.

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During the inspection it was found that the implementation of your QA Program failed to meet certain NRC requirements. The specific findings and references to the pertinent requirements are identified in the enclosures to this letter.

In accordance with Section 2.790 of the Commission's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter with enclosure and your reply, together with the enclosed inspection report will be placed in the Commission's Public Document Room. If this report contains any information that you believe to be proprietary, it is necessary that you make a written application within thirty (30) days to this office to withhold such information from public disclosure. Any such application must include a full statement of the reasons on the basis of which it is claimed that the information is proprietary, and should be prepared so that proprietary information identified in the application is contained in a separate part of the document. If we do not hear from you in this regard within the specified period, the report will be placed in the Public Document Room.

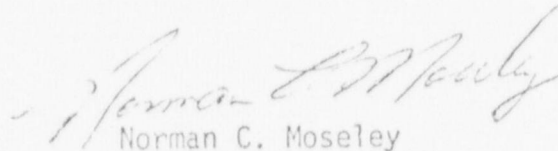
As we discussed in the May 8 meeting, during the last two years in which NRC has been inspecting the Dravo Corporation Pipe Fabrication Division, a large number of deviations have been identified in a broad scope of quality program areas. These results indicate to us that the program described in your Quality Assurance Manual has been inadequately implemented. Further, we have found numerous instances where your company has failed to meet corrective action commitments made in response to prior NRC inspection findings. Our inspection results demonstrate a significant failure by management to devote sufficient attention to the implementation of an effective quality program. It is our view that prompt, vigorous corrective action is necessary.

Please provide us within thirty days of your receipt of this letter a written statement containing: (1) a description of steps that have been or will be taken to correct specific identified deficiencies; (2) a description of management measures which have been or will be taken to prevent recurrence; and (3) the dates your corrective actions and preventive measures will be completed. Our inspection covered only limited programmatic areas, but deficiencies identified in those areas are indicative of larger program problems. Therefore, in your response, please also describe actions you plan to take to correct the broad deficiencies in implementation

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of your quality program. Dates should be provided on which individual steps in your overall upgrading action will be completed. We plan to reinspect your facilities in the near future and expect to be able to make positive findings.

Sincerely,



Norman C. Moseley
Director
Division of Reactor Construction
Inspection
Office of Inspection and Enforcement

Enclosures:

1. Notice of Deviation
2. Inspection Report No. 99900017/78-01